

AMENDED IN ASSEMBLY AUGUST 7, 2000

AMENDED IN ASSEMBLY JUNE 27, 2000

AMENDED IN SENATE MAY 26, 2000

AMENDED IN SENATE MARCH 30, 2000

SENATE BILL

No. 1880

Introduced by Senator Sher
(Coauthor: Senator Solis)

February 24, 2000

An act relating to health, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1880, as amended, Sher. Pharmaceutical assistance program study.

Under existing law, the Public Employees' Medical and Hospital Care Act, the Board of Administration of the Public Employees' Retirement System administers a program of health care benefits for eligible employees and annuitants, as defined. The Public Employees' Contingency Reserve Fund, a continuously appropriated fund, is established under that act for specified purposes relating to those benefits and their cost.

This bill would require the board, in consultation with the ~~office of the Treasurer~~ *State Department of Health Services*, to ~~develop~~ *conduct a study to determine the feasibility of a* ~~model program to aggregate~~ *aggregating the purchase and distribution* of prescription drugs for Medi-Cal and Medicare

beneficiaries, members of the Public Employees' Retirement System, uninsured and underinsured persons 65 years of age and older, and for other individuals for whom governmental entities subsidize or provide funds for the purchase of prescription drugs, and to submit the program proposal to the Legislature ~~by July 1, 2002 and the Governor within 12 months of securing full funding for the study.~~ The bill would appropriate \$230,000 from the Public Employees' Contingency Reserve Fund to the board for purposes of this bill *and would require the department to secure the balance of the funding necessary for the study from research grants or other available funding sources.*

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) The Board of Administration of the
 2 Public Employees' Retirement System, in consultation
 3 ~~with the office of the Treasurer, shall develop a model~~
 4 ~~program to aggregate the purchase with the State~~
 5 *Department of Health Services, shall conduct a study to*
 6 *determine the feasibility of aggregating the purchase and*
 7 *distribution of prescription drugs for all of the following:*
 8 (1) Participants in the Medi-Cal program.
 9 (2) Enrollees in the Medicare program.
 10 (3) Members and others who purchase health care
 11 services through the health benefits program of the
 12 Public Employees' Retirement System.
 13 (4) Any other individuals on whose behalf the state,
 14 county, or local government entity provides funds or
 15 subsidizes, in whole or in part, the purchase of
 16 prescription drugs or prescription drug benefits.
 17 (5) Uninsured or underinsured individuals 65 years of
 18 age or older.
 19 (6) *Large California private sector purchasers of*
 20 *prescription drugs.*
 21 (b) The board of administration and the State
 22 Department of Health Services shall jointly determine a
 23 *detailed study plan and timeline, which shall include the*

1 *feasibility study, as set forth in subdivision (a), and if a*
 2 *model program is determined feasible, specific steps*
 3 *necessary to implement the model program. The final*
 4 *report shall include the number of people in the state who*
 5 *would qualify for the model program and shall include*
 6 *recommendations as to the scope of the program in light*
 7 *of the state's funding capabilities.*

8 *(c) The board of administration and the State*
 9 *Department of Health Services shall specifically and*
 10 *separately assess the feasibility of including in the*
 11 *aggregate large California private sector purchasers of*
 12 *prescription drugs. The board shall report possible effects*
 13 *that the inclusion of these purchasers could have on the*
 14 *economy, specifically relating to prescription drug*
 15 *manufacturers and biotechnology firms.*

16 *(d) The board shall, by July 1, 2002, submit the, within*
 17 *12 months after securing full funding for the study, shall*
 18 *submit the results of the program proposal to the*
 19 *Legislature and the Governor. If the board of*
 20 *administration and the department determine that the*
 21 *program is not feasible or would result in a reduction in*
 22 *the quality of care for program beneficiaries, that fact*
 23 *shall be clearly stated in the program proposal. A program*
 24 *proposed under this section shall not be implemented*
 25 *without the enactment of a statute.*

26 ~~(d)~~

27 *(e) The sum of two hundred thirty thousand dollars*
 28 *(\$230,000) is hereby appropriated from the Public*
 29 *Employees' Contingency Reserve Fund to the Board of*
 30 *Administration of the Public Employees' Retirement*
 31 *System for purposes of carrying out the provisions of this*
 32 *act. It is the intent of the Legislature that the remaining*
 33 *cost of the program proposal shall be appropriated from*
 34 *the General Fund, in an amount not to exceed two*
 35 *hundred thirty thousand dollars (\$230,000).—act. The*
 36 *State Department of Health Services shall secure the*
 37 *balance of the funding necessary for this act from*
 38 *research grants, or other available funding sources. The*
 39 *study shall commence when full funding, as determined*
 40 *by the board, has been secured for this purpose.*

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2	CORRECTIONS
3	Text — Page 3.
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